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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 3955

March 11, 2008

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The bill was read for the first time and referred to the Committee on Health and Human Services

March 17, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to human services; promoting community-based care for older adults
1.3 through the establishment of community consortiums; providing coverage for
1.4 costs associated with physical activities for home and community-based waiver
1.5 programs for persons with disabilities; amending Minnesota Statutes 2006,
1.6 sections 256B.092, by adding a subdivision; 256B.49, by adding a subdivision.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2006, section 256B.092, is amended by adding a
1.9 subdivision to read:

1.10 Subd. 4e. **Costs associated with physical activities.** Effective upon federal
1.11 approval, the costs associated with physical exercise or other physical activities to
1.12 maintain or improve a person's health and functioning included in a person's individual
1.13 service plan shall be an allowed expense for home and community-based waiver programs
1.14 for persons with disabilities to the extent that the costs will not increase the person's
1.15 authorized annual budget amount. By October 1, 2008, the commissioner of human
1.16 services shall submit an amendment to the Centers for Medicare and Medicaid Services
1.17 consistent with this subdivision.

1.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.19 Sec. 2. Minnesota Statutes 2006, section 256B.49, is amended by adding a subdivision
1.20 to read:

1.21 Subd. 22. **Costs associated with physical activities.** Effective upon federal
1.22 approval, the costs associated with physical exercise or other physical activities to
1.23 maintain or improve a person's health and functioning included in a person's individual
1.24 service plan shall be an allowed expense for home and community-based waiver programs

2.1 for persons with disabilities to the extent that the costs will not increase the person's
2.2 authorized annual budget amount. By October 1, 2008, the commissioner of human
2.3 services shall submit an amendment to the Centers for Medicare and Medicaid Services
2.4 consistent with this subdivision.

2.5 **Sec. 3. OLDER ADULT SERVICES COMMUNITY CONSORTIUMS.**

2.6 Subdivision 1. **Establishment.** (a) The commissioner of human services, in
2.7 cooperation with the commissioners of health and housing finance, shall develop and
2.8 implement, beginning July 1, 2009, a three-year demonstration project for older adult
2.9 services community consortiums. An older adult services community consortium may
2.10 consist of health care and social service providers, county agencies, health plan companies,
2.11 and other community stakeholders within a demonstration site that have established a
2.12 process for joint decision making. Demonstration sites may include a portion of a county,
2.13 an entire county, or multiple counties.

2.14 (b) Each community consortium seeking to participate as a demonstration site
2.15 must submit an application to the commissioner of human services. The application
2.16 must include:

2.17 (1) a description of the entities participating in the consortium, the scope of
2.18 collaboration, and the process to be used for joint decision making;

2.19 (2) the methods by which the consortium plans to achieve the goals specified in
2.20 subdivision 2;

2.21 (3) a description of the proposed demonstration site; and

2.22 (4) other information the commissioner of human services determines to be
2.23 necessary to evaluate proposals.

2.24 (c) The commissioner of human services shall establish a process to review and
2.25 consider applicants. The commissioner of human services shall designate up to three
2.26 community consortiums as demonstration sites.

2.27 (d) Each community consortium selected to participate shall establish a local group
2.28 to assist in planning, designing, implementing, and evaluating the coordinated service
2.29 delivery system within the demonstration site. Planning for each consortium shall build
2.30 upon current planning processes developed by county gaps analyses and ElderCare
2.31 Development Partnerships under Minnesota Statutes, section 256B.0917.

2.32 Subd. 2. **Goals.** The community consortium demonstration project is intended to
2.33 accelerate the development of community-based services to fill in gaps identified within
2.34 communities, by using a pool of funds and providing flexibility in the use and distribution
2.35 of these funds within each demonstration site. These projects must be designed to:

3.1 (1) ensure consumer access to a continuum of older adult services;

3.2 (2) create an adequate supply of affordable home-based alternatives to care for
3.3 persons currently using nursing facilities, or likely to need nursing facility services
3.4 in the future;

3.5 (3) establish and achieve measurable performance targets for care delivered
3.6 throughout the continuum of care; and

3.7 (4) support the management of chronic and complex conditions through greater
3.8 coordination of all services needed by older adults.

3.9 Subd. 3. **Priority for other grants.** The commissioner of health shall give priority to
3.10 community consortiums selected as demonstration sites when awarding technology-related
3.11 grants, if the consortiums are using technology as a part of their proposal. To the extent
3.12 that the commissioner of the Housing Finance Agency funds projects to create or preserve
3.13 affordable housing options for older adults, the commissioner of housing finance shall
3.14 give priority to financially feasible projects proposed or supported by community
3.15 consortiums selected as demonstration sites. The commissioner of transportation shall
3.16 give priority to community consortiums selected as demonstration sites when distributing
3.17 transportation-related funds to create transportation options for older adults.

3.18 Subd. 4. **Federal approval.** The commissioner of human services shall request any
3.19 federal approvals or waivers necessary to implement the community consortiums under
3.20 the medical assistance program and include medical assistance funding as specified in
3.21 subdivision 7 in the community consortium account.

3.22 Subd. 5. **State waivers.** The commissioner of health may waive applicable state
3.23 laws and rules on a time-limited basis if the commissioner of health determines that a
3.24 participating consortium requires a waiver in order to achieve demonstration project goals.

3.25 Subd. 6. **Quality measures.** (a) Community consortiums participating in the
3.26 demonstration project shall report information to the commissioner of human services
3.27 necessary to evaluate the demonstration project, in the form and manner specified by
3.28 the commissioners. The information collected by the commissioner of human services
3.29 must include both process and outcome measures, including but not limited to measures
3.30 related to enrollee satisfaction, service delivery, service coordination, service access, use
3.31 of technology, individual outcomes, and costs.

3.32 (b) Participating consortiums shall identify state policies that limit the extent to
3.33 which project goals can be achieved and recommend necessary changes to the appropriate
3.34 state agencies.

3.35 Subd. 7. **Community consortium account; financing.** (a) The commissioner
3.36 of finance shall establish a community consortium account as a special revenue

4.1 account for the purpose of collecting funds for distribution to the selected community
4.2 consortiums. Funds must be collected from the following existing grant programs within
4.3 the Departments of Health and Human Services and must be transferred as follows to the
4.4 community consortium account prior to awarding of the demonstration grants:

4.5 (1) ten percent of any funds appropriated for the biennium ending June 30, 2011,
4.6 for the nursing home moratorium exceptions process under Minnesota Statutes, section
4.7 144A.073;

4.8 (2) ten percent of the funds appropriated for the biennium ending June 30, 2011, for
4.9 community service grants under Minnesota Statutes, section 256B.0917, subdivision 13,
4.10 and community services development grants under Minnesota Statutes, section 256.9754,
4.11 subdivision 3; and

4.12 (3) ten percent of the funds appropriated for the biennium ending June 30, 2011,
4.13 for nursing facility performance grants under Minnesota Statutes, section 256B.434,
4.14 subdivision 4, paragraph (d).

4.15 (b) Money in the community consortium account may be used by the commissioner
4.16 of human services to provide grants to participating community consortiums.

4.17 (c) Funds available from closure of nursing facility beds within a demonstration site
4.18 may be used by the consortium to fund consortium-related activities if the closed beds
4.19 have not been claimed as a planned closure rate adjustment under Minnesota Statutes,
4.20 section 256B.437.

4.21 (d) The commissioner of human services, in consultation with the commissioner
4.22 of health, may approve moratorium exception projects that are part of the applications
4.23 submitted by the designated demonstration sites, using any funding made available under
4.24 paragraph (a), clause (1), and subject to the limits of that funding. Nursing facilities
4.25 receiving approval for moratorium exception projects under this paragraph shall receive
4.26 a rate increase calculated in the same manner as facilities receiving exceptions under
4.27 Minnesota Statutes, section 144A.073, and the rate increase shall continue to apply after
4.28 the expiration of the demonstration project grant under this section. Once grants under this
4.29 section are no longer made, any funds made available under paragraph (a), clause (1), that
4.30 are not being used by demonstration projects, shall be transferred to the Department of
4.31 Health to be used for moratorium exception projects approved under Minnesota Statutes,
4.32 section 144A.073.

4.33 Subd. 8. **Evaluation and report.** The commissioner of human services, in
4.34 cooperation with the commissioners of health and housing finance, shall evaluate the
4.35 demonstration project, and report findings and recommendations to the legislature by
4.36 November 15, 2011, on whether the demonstration project should be continued and

5.1 whether the number of demonstration project sites increased. The evaluation and report
5.2 must include:

5.3 (1) a comparison of the performance of demonstration sites relative to nonconsortium
5.4 communities on the quality measures specified in subdivision 6;

5.5 (2) an assessment of the extent to which the demonstration project can be
5.6 successfully expanded to other parts of the state; and

5.7 (3) legislative changes necessary to improve the effectiveness of the demonstration
5.8 project and to expand the projects to other parts of the state.

5.9 The commissioner of human services may use up to \$50,000 of the funding provided
5.10 to each participating community consortium under this section to fund the evaluation
5.11 and report.